

BOB F. ANDERSON, PE, INC.
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August 17, 2004

Honorable James H. Welsh,
Commissioner of Conservation
Office of Conservation
P. O. Box 94275
Baton Rouge, LA 70804-4275

Re: **APPLICATION FOR PUBLIC HEARING**
Proposed Additional Alternate Unit Well
Cotton Valley Formation, Reservoir A
CV RA SUO
West Lisbon Field
Claiborne Parish, Louisiana

Dear Sir:

Application is hereby made on behalf of **CYPRESS OPERATING, INC.**, (Applicant), to the Commissioner of Conservation for a public hearing to consider evidence relative to the issuance of an Order pertaining to the following matters relating to the Cotton Valley Formation, Reservoir A, West Lisbon Field, Claiborne Parish, Louisiana:

1. To permit the applicant to drill, designate and utilize an additional alternate unit well for the production of gas and condensate for the Cotton Valley Formation, Reservoir A, in the unit designated CV RA SUO, West Lisbon Field, Claiborne Parish, Louisiana, in exception to the spacing provisions of the 334-E Series of Office of Conservation Orders, such unit and well shown on the attached plat and being made a part hereof.
2. To find that additional alternate unit well is needed on the CV RA SUO to assist in the drainage of the Cotton Valley Formation, Reservoir A, that cannot be drained by any other well located within the unit.
3. To permit the unit operator to produce the assigned unit allowable from the unit well, alternate unit wells or from a combination of all wells at its discretion.
4. To consider and cover such other matters as the Commissioner of Conservation may deem pertinent and appropriate.

The Cotton Valley Formation, Reservoir A, in the West Lisbon Field, Claiborne Parish, Louisiana, was defined in Office of Conservation Order No. 334-E, effective July 23, 1982, and as amended by Office of Conservation Order No. 334-E-1, effective March 15, 1983.

Hon. James H. Welsh
West Lisbon Field
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The pertinent data pertaining to this application is available for inspection at the Offices of Bob F. Anderson, PE, Inc., 400 Travis Street, Suite 209, Shreveport, Louisiana 71101. Any person wishing to inspect such data should call Bob Anderson 318/425-4230 during normal business hours in order to arrange a date and time for such inspection. A copy of any such pertinent data that is otherwise not available from the Office of Conservation can be obtained **at the expense of the requesting party.**

The subject matter of this application does not require a pre-application notice.

Pursuant to the revised Rules of Procedure, Applicant has made a reasonable effort to obtain the names and addresses of all Interested Owners, Interested Parties and Represented Parties to whom this notice of this intended application is being sent. A copy of this letter and the attached plat is being sent to the District Manager of the Shreveport District Office of Conservation and to the Interested Owners, Represented Parties and the Interested Parties as shown on the attached list

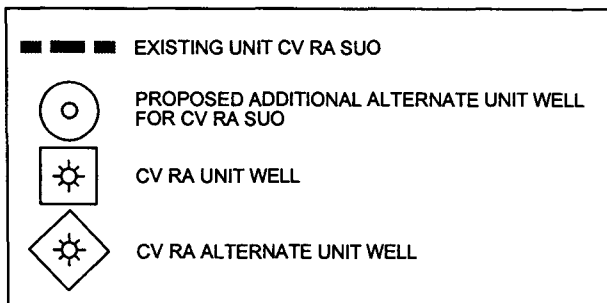
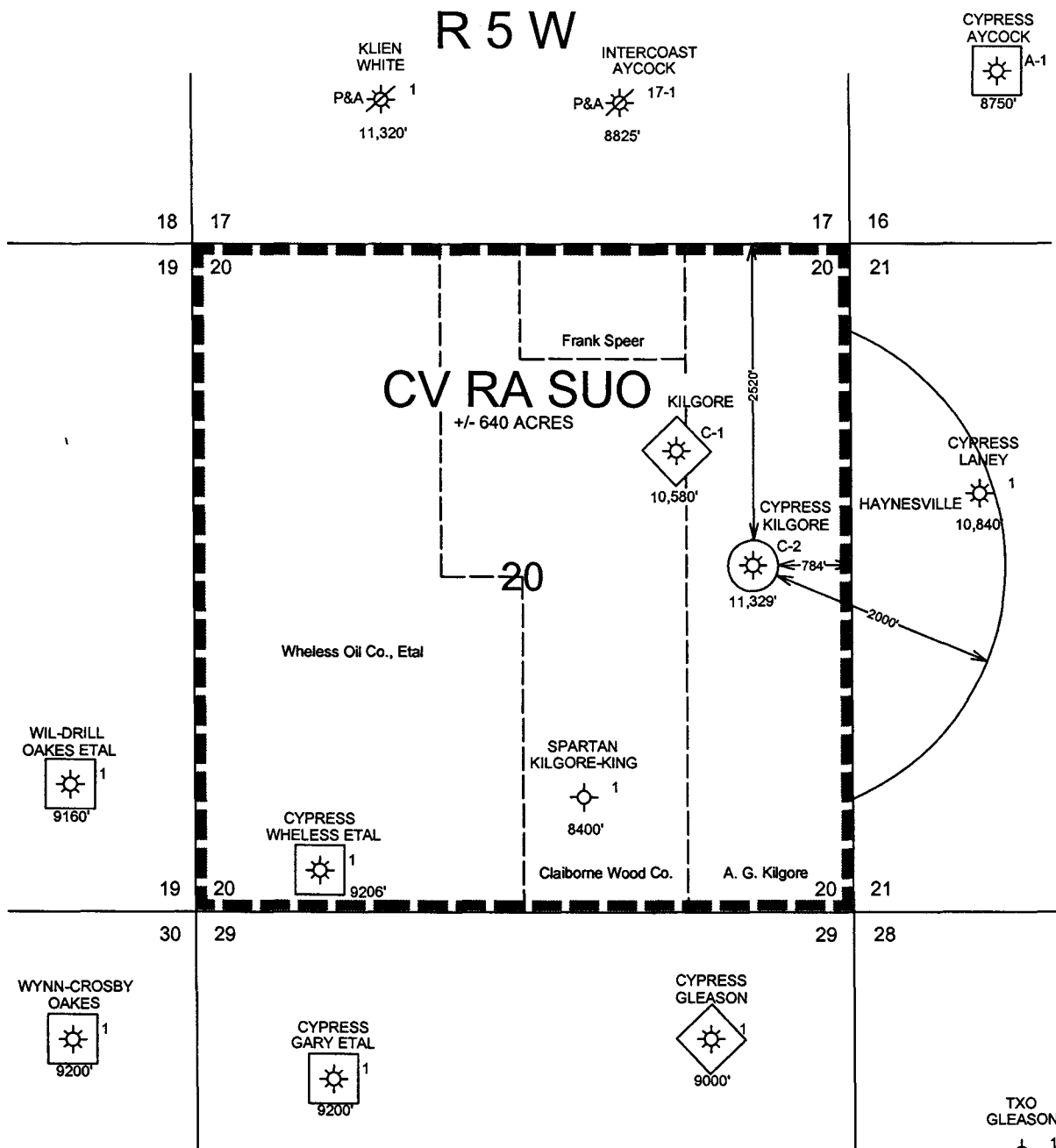
Our check, made payable to the Office of Conservation, is attached to cover the applicable hearing fee.

Yours truly,



B. F. Anderson, PE for
CYPRESS OPERATING, INC.

cc: Mr. James Broussard, District Manager Shreveport District Office of Conservation
Interested Owners, Represented Parties and Interested Parties
Cypress Operating, Inc.



CYPRESS OPERATING, INC.
WEST LISBON FIELD CLAIBORNE PARISH, LOUISIANA
PROPOSED ALTERNATE UNIT WELL AT EXCEPTIONAL LOCATION
CV RA SOU; KILGORE "C" NO.2
EXHIBIT NO.1